



FISCAL MEMORANDUM

SB 7002 - HB 7004

January 20, 2021

SUMMARY OF ORIGINAL BILL: Creates the *Tennessee Learning Loss Remediation and Student Acceleration Act*. Requires the Department of Education (DOE) to establish and administer a learning loss remediation and student acceleration program (program) for conducting after-school learning mini-camps, learning loss bridge camps, and summer learning camps to remediate student learning loss. Requires the program be funded from the Temporary Assistance for Needy Families (TANF) program, the Lottery for Education Afterschool Programs (LEAP) grant, and any other funds appropriated by the General Assembly.

Requires DOE to determine program requirements, provide training, guidance, technical assistance and a procedure for allocating funding to each local education agency (LEA) and participating public charter schools conducting camps.

Requires DOE to implement a preparation course for the program to train and certify individuals who do not possess a teaching license to provide educational instruction as part of the after-school learning camps. Requires DOE to implement a two-week summer professional development program on reading instruction for educators teaching English language arts (ELA) or reading at no cost to LEAs or public charter schools. Requires teachers providing educational services to students in all learning camps receive a minimum of \$1,000 in compensation per week, but no more than 25 percent above the weekly compensation rate of the highest salary step for teachers in the LEA's salary schedule.

Requires DOE to administer the newly created Tennessee Accelerating Literacy and Learning Corps (TALLC) and develop a program to provide training, certification and ongoing professional development for TALLC members. Authorizes DOE to provide TALLC grants to LEAs and public charter schools to increase the number of TALLC members available to provide high-quality tutoring in communities.

Requires DOE to establish, fund, and implement an innovative benchmark assessment pilot program (pilot) to provide the Tennessee universal math screener, Tennessee universal reading screener and a series of state-adopted benchmark assessments to LEAs and public charter schools to allow teachers to more frequently measure student learning and address student learning loss.

Beginning with the 2022-2023 school year, prohibits a student in the third grade from being promoted to the next grade level unless the student is determined to be proficient in ELA, based on the student's most recent Tennessee Comprehensive Assessment Program (TCAP) test, or meets newly established criteria.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –

\$67,331,900/Each Year FY20-21 and FY21-22/General Fund

\$48,094,200/Each Year FY20-21 and FY21-22/LEAP

\$25,506,400/FY22-23 and Subsequent Years/General Fund

\$38,259,700/FY22-23 and Subsequent Years/LEAP

Other Fiscal Impact – The state receives approximately \$191,000,000 in TANF block grant funding each year and the state's TANF balance as of September 30, 2020 was \$735,800,000. The Tennessee Learning Loss Remediation and Student Acceleration Act will draw upon existing federal TANF dollars in the amount of \$50,893,900 in each year FY20-21 and FY21-22 and \$28,115,900 in FY22-23 and subsequent years. In addition, the state will utilize up to \$3,000,000 in ESSER 2.0 federal funds to implement the Innovative Benchmark Assessment Pilot Program.

Beginning in FY22-23, permissive increases in local expenditures may occur. However, due to multiple unknown factors, a precise estimate cannot be reasonably determined.

According to the Department of Finance and Administration, Division of Budget, the Governor's proposed budget for FY21-22 recognizes an increase in state expenditures from the General Fund in the amount of \$67,331,100 in each year FY20-21 and FY21-22.

SUMMARY OF AMENDMENT (002043): Adds language to require the State Board of Education (SBE) to promulgate rules to establish an appeal process for a student who is identified for retention in third or fourth grade.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal impact.

Assumptions for the bill as amended:

General Assumptions:

- LEAs are required to offer a program; however, student participation is optional unless the local board of education or the governing body of a participating charter school adopts a policy requiring priority students to participate.
- The program consists of three separate types of camps:

- After-school learning mini-camps: require at least one hour of in-person instruction, four days per week, beginning in the 2021-22 school year and target priority students who have completed grades kindergarten through four (K-4);
- Summer learning camps: require at least four hours of in-person instruction, five days a week, for six-weeks, conducted in summers of the 2020-21 and 2021-22 school years and target priority students who have completed grades kindergarten through four (K-4); and
- Learning loss bridge camps: require at least four hours of in-person instruction, five days per week, for four weeks, conducted in the summers of the 2020-21 and 2021-2022 school year, target priority students entering grades six through eight (6-8), and in the summer of the 2022-2023 and each subsequent summer thereafter target priority students entering grades four through eight (4-8).
- It is estimated:
 - There are 75,000 students per each grade level in K-8;
 - There will be a maximum of 20 students per classroom for each camp;
 - Approximately two-thirds of priority students who are not yet proficient (65 percent of students) will participate in the summer learning camp, for a participation rate of approximately 44 percent;
 - The participation rate for after-school learning mini-camp and learning loss bridge camp will be 44 percent for the first two years of operation; and
 - The participation rate for after-school learning mini-camp and learning loss bridge camp will decrease to 35 percent beginning in FY22-23.
- Based on the state's economically disadvantaged rate, approximately 30.6 percent of students will be eligible for TANF funds.

Assumptions regarding after-school learning mini-camps:

- State expenditures associated with the after-school learning mini-camps will be funded through LEAP reserve funds. The LEAP fund reserve balance as of June 30, 2020 was \$40,506,448.
- Based on the language of the proposed legislation, the primary classroom cost, including the teacher stipend and overhead, is estimated to be \$1,400 per week.
- After-school learning mini-camps will first be offered in the summer of 2021, with subsequent offerings taking place during regular school semesters.
- It is estimated that 165,000 students (5 grades x 75,000 students x 44.0% participation rate) will attend after-school learning mini-camps in the 2020-21 and 2021-2022 school years and 131,250 students (5 grades x 75,000 students x 35.0% participation rate) will attend the mini-camps in 2022-23 and subsequent school years.
- As a result, 8,250 classrooms (165,000 total students / 20 student maximum class size) will be required in the first two years and 6,563 classrooms (131,250 total students / 20 student maximum class size) will be required in subsequent school years.
- The total cost of after-school learning mini-camps is estimated to be \$69,300,000 (8,250 classrooms x \$1,400 x 6 weeks) in each year FY20-21 and FY21-22 and \$55,129,200 (6,563 classrooms x \$1,400 x 6 weeks) in FY22-23 and subsequent years.

- The portion of the cost that will be funded with TANF funds is estimated to be \$21,205,800 ($\$69,300,000 \times 30.6\%$) in each year FY20-21 and FY21-22 and \$16,869,535 ($\$55,129,200 \times 30.6\%$) in FY22-23 and subsequent years.
- The remaining costs of \$48,094,200 ($\$69,300,000 - \$21,205,800$) in each year FY20-21 and FY21-22 and \$38,259,665 ($\$55,129,200 - \$16,869,535$) in FY22-23 and subsequent years will be funded by LEAP reserve funds.

Assumptions regarding summer learning camps:

- Summer learning camps will only be provided in the summers of the 2020-21 and 2021-2022 school years.
- The primary classroom cost, including the teacher stipend and overhead, is estimated to be \$1,400 per week.
- It is estimated that 165,000 students (5 grades x 75,000 students x 44.0% participation rate) will attend summer learning camps in the summers of the 2020-21 and 2021-2022 school years; this will require 8,250 classrooms (165,000 total students / 20 student maximum class size) per year.
- The total cost of the summer learning camp is estimated to be \$69,300,000 (8,250 classrooms x \$1,400 x 6 weeks) in each year FY20-21 and FY21-22; the portion of the cost that will be funded with TANF funds is estimated to be \$21,205,800 ($\$69,300,000 \times 30.6\%$) in each of those years.
- The remaining costs of \$48,094,200 ($\$69,300,000 - \$21,205,800$) in each year FY20-21 and FY21-22 will be funded by a General Fund appropriation.

Assumptions regarding learning loss bridge camps:

- The primary classroom cost, including the teacher stipend and overhead, is estimated to be \$1,400 per week.
- It is estimated that 99,000 students (3 grades x 75,000 students x 44.0% participation rate) will attend learning loss bridge camps in the 2020-21 and 2021-2022 school years and 131,250 students (5 grades x 75,000 students x 35.0% participation rate) will attend the camps in 2022-23 and subsequent school years.
- As a result, 4,950 classrooms (99,000 total students / 20 student maximum class size) will be required in the first two years and 6,563 classrooms (131,250 total students / 20 student maximum class size) will be required in subsequent school years.
- The total cost of learning loss bridge camps is estimated to be \$27,720,000 (4,950 classrooms x \$1,400 x 4 weeks) in each year FY20-21 and FY21-22 and \$36,752,800 (6,563 classrooms x \$1,400 x 4 weeks) in FY22-23 and subsequent years.
- The portion of the cost that will be funded with TANF funds is estimated to be \$8,482,320 ($\$27,720,000 \times 30.6\%$) in each year FY20-21 and FY21-22 and \$11,246,357 ($\$36,752,800 \times 30.6\%$) in FY22-23 and subsequent years.
- The remaining costs of \$19,237,680 ($\$27,720,000 - \$8,482,320$) in each year FY20-21 and FY21-22 and \$25,506,443 ($\$36,752,800 - \$11,246,357$) in FY22-23 and subsequent years will be funded by a General Fund appropriation.

Other Assumptions:

- Based on information provided by DOE, the Innovative Benchmark Assessment Pilot Program will be funded by Elementary and Secondary School Emergency Relief (ESSER 2.0) funds of up to \$3,000,000. These expenditures would not be incurred in the absence of this legislation.
- According to DOE, a two-week summer professional development program on reading instruction for educators teaching ELA or reading will be developed with existing staff and will be offered as a series of online modules hosted through DOE's existing systems. Such training will be provided at no cost to LEAs or public charter schools.
- Further, according to DOE, providing consistent support and resources for summer and tutor programs has already been an emphasized need in response to learning loss and DOE plans on spending a portion of its ESSER 2.0 funds (approximately \$4,000,000), independent of this legislation, to develop materials for districts. Such developments would meet the requirements of this legislation, with no additional expenditures required.
- Beginning in FY22-23, local school districts will have options on how to support students who are not proficient, providing paths to build academic progress through summer programming, retesting, tutoring, or retention.
- Depending on the path selected, an impact to local expenditures may result; however, because student eligibility and district selection of support paths cannot be estimated at this time, a precise estimate cannot be reasonably determined.

Assumptions regarding total increases in expenditures:

- The total increase in state expenditures from the General Fund is estimated to be \$67,331,880 (\$48,094,200 + \$19,237,680) in each year FY20-21 and FY21-22 and \$25,506,443 in FY22-23 and subsequent years.
- The total increase in state expenditures for the LEAP program is estimated to be \$48,094,200 in each year FY20-21 and FY21-22 and \$38,259,665 in FY22-23 and subsequent years.
- Approximately \$50,893,920 (\$21,205,800 + \$21,205,800 + \$8,482,320) in each year FY20-21 and FY21-22 and \$28,115,892 (\$16,869,535 + \$11,246,357) in FY22-23 and subsequent years will be funded with TANF funds.
- The recurring annual amount the state receives from the federal government per the TANF block grant is approximately \$191,000,000. Additionally, the Department of Human Services (DHS) has the authority to draw from TANF reserve funds, the balance of which, as of September 30, 2020, was approximately \$735,800,000.
- Funding of the expenditures under the *Tennessee Learning Loss Remediation and Student Acceleration Act* will increase expenditures for the DHS; however, these expenditures can be absorbed within the DHS's existing TANF block grant, either through the annual funding received by DHS or by drawing from the TANF reserve funds.
- There will not be an increase in state expenditures as the DHS is only required to meet TANF maintenance of effort requirements, which the DHS does on an annual basis under current law.

- Any increase in state expenditures associated with the establishment of an appeal process for a student who is identified for retention in third or fourth grade will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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